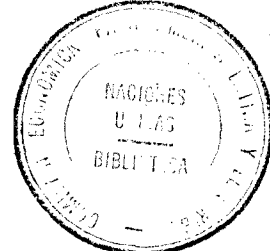


GENERAL  
ECLA/CARIB/G.84/4  
31 December 1984  
ORIGINAL: ENGLISH

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN  
Subregional Headquarters for the Caribbean  
CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE



TRADE PROCEDURE GUIDE (PART XIV)

JAMAICA



**UNITED NATIONS**  
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN  
Subregional Headquarters for the Caribbean



## INDEX TO ENGLISH TRADE PROCEDURE GUIDES

---

### Contents of National Trade Operations Guides

---

1. IMPORT REGIME
  - 1.1. Customs duty policy
    - 1.1.1. Import tariffs
  - 1.2. Trade Requirements
    - 1.2.1. Foreign Exchange Regulations
    - 1.2.2. Import permit or license
    - 1.2.3. Invoices
      - i. commercial
      - ii. consular
      - iii. pro-forma invoice
      - iv. invoice of goods shipped
    - 1.2.4. Bill of Lading
    - 1.2.5. Certificates
      - of origin
      - of purity
      - of quality
      - animal and/or botanic health
      - of registration
      - of analysis
      - of insurance
      - of value
      - of weight
    - 1.2.6. Technical specifications
    - 1.2.7. Advertising material
    - 1.2.8. Labelling
    - 1.2.9. Brands or trademarks
    - 1.2.10. Packing
  - 1.3. Fines and Penalties - Port and Warehousing Procedures
  - 1.4. Specimens, Samples
  - 1.5. Shipment restrictions
  - 1.6. Distribution channels
    - 1.6.1. Agents or representatives
2. EXPORT REGIME
  - 2.1. Export procedures
  - 2.2. Exports subject to special requirements
    - 2.2.1. Export permit

---

Contents of National Trade Operations Guides

---

- 2.3 Export incentives
  - 2.3.1. Direct incentives
    - 2.3.1.1. Direct tariff incentives
      - tax exemptions or reductions
      - compensatory taxes
    - 2.3.1.2. Direct credit incentives
      - pre-shipping credit
      - post-shipping credit
    - 2.3.1.3. Certificates
      - tax refund certificate
      - tax guarantee or tax payment certificate
      - export increase certificate
      - tax compensation certificate
  - 2.3.2. Indirect incentives
    - "draw-back" schemes
    - preferential exchange rates
    - financial incentives
  - 2.3.3. Free zones (trade and industrial freeports)
- 3. MULTILATERAL AGREEMENTS AND INTEGRATION SCHEMES
  - 3.1. Bilateral
  - 3.2. Multilateral
  - 3.3. Integration schemes
- 4. AGENCIES AND INSTITUTIONS INVOLVED IN FOREIGN TRADE
- 5. NATIONAL AND INTERNATIONAL FAIRS
  - 5.1. Name and place
  - 5.2. Organizing institution
  - 5.3. Frequency and direction
- 6. CHAMBERS AND ASSOCIATIONS OF COMMERCE
  - 6.1. Membership to regional and international associations

## JAMAICA

### 1. IMPORT REGIME

#### 1.1. Customs duty Policy

Jamaica is a member of the CARICOM and as such adheres to the Common Market provisions. (See Part I). Jamaica is also a signatory to the Second Lomé Convention (See Part II). The Jamaica Tariff System is based on the Customs Co-operation Council Nomenclature (CCCN). The tariff schedule is based on the new single column schedule of the Common External Tariff (CET) of the Caribbean Community (CARICOM) Common Market. There is also a separate tariff schedule for duties applicable to imports from other CARICOM members.

Duties are determined using the exchange rate established for the product concerned.

#### 1.1.1. Import Tariffs

Most goods entering Jamaica are assessed on the ad valorem or specific rates of duty. Approximately 90 percent of dutiable imports are subject to ad valorem duties, usual rates are between 10 and 30 percent, but could reach 70 percent for cosmetics and ammunition.

The 1975 ban on the importation of many capital goods was rescinded in 1976 when a 15 percent duty was established for imported capital goods.

Certain classes of goods are allowed duty-free importation. These include essential goods; construction materials; raw materials and tools used in export industries; some intermediary goods; and on certain goods imported by various private and public organizations.

Ad Valorem duty is assessed on the cif value, based on the Brussels Definition of Value, at the port of entry. This value, "a duty of customs" is chargeable on goods by reference to their value (the value of any imported goods shall be taken to be the normal price the goods realize at the time of entry into the state and sold in the open market).

Specific duties are levied on the net weight when goods are dutiable by weight. The net weight is determined by the weighing of the goods or by a calculation of tare allowances. The weight of the package may constitute

a dutiable weight in some instances as prescribed by the Jamaican customs law. Packaging and coverings which are not the usual or proper packages or coverings for the enclosed goods or are designated for the separate use, are deemed to be separate articles and duties are assessed accordingly.

Preferential duties on the Commonwealth tariff has been eliminated from the Jamaica tariff schedule in 1976. The CARICOM preferential import duty rates are extended to other members of the CARICOM. No "reverse preferences" to goods from European countries and from ACP countries are allowed.

A consumption duty is imposed on most locally manufactured and imported goods of the same description. The duty varies between 2-1/2 to 5 percent. While some imports are levied this duty on specified weight unit, the clearance value of imports is the general measure for assessment of the consumption duty (i.e. the sum total of the cif value and the duty).

The "Consumption Duty (additional duties) Order 1976" establishes an additional consumption tax on goods imported for direct sale. The duty rate is 15 percent ad valorem, higher for certain jewellery made of precious metal and certain vessels. However, there are few exceptions from this duty and also some at lower rates.

A stamp duty of 10 percent is imposed on the local value of goods plus all customs and consumption duties. Government imports, certain basic food items, crude petroleum, fuel for utility companies, imports from CARICOM countries and most raw material are exempt from this stamp duty.

Some imported and locally produced manufactured items are subjected to a Retail Sales Tax. This tax may vary from 10 percent of clearance values on items such as stoves, television sets and refrigerators to 52 or 57 percent on motor vehicles except motor cycles, invalid carriages and tractors not wholly or mainly designed for roads. Electric and gas hot water heaters and air conditioners are assessed at 25 percent of their value.

#### 1.2. Trade requirements

The import regulations of Jamaica include prohibition or strict control, state trading individual and open general licensing and specific licensing irrespective of origin.

Licences and permits are issued by the Trade Administrator on behalf of the Ministry of Industry and Commerce. Jamaica maintains a restrictive and prohibited list of imports, which must be consulted before any importation takes place.

The Jamaican import control regulations make no provision for tolerances in quantity, value, or weight.

In 1977 the Jamaica Commodity Trading Company Limited, formerly the State Trading Company was established to deal with certain basic imports. However, most of its control has been restricted to purchases under commodity assistance programmes of foreign governments, and to bulk purchases.

#### 1.2.1. Foreign Exchange Regulations

The Bank of Jamaica administers exchange controls in Jamaica. The Government of Jamaica has recently established a two-tier foreign exchange system. One being the official exchange market with a fixed exchange rate operated by the Bank of Jamaica, while the other is a parallel market with a floating rate drawing on foreign exchange from private sources operating through commercial banks (upon authorization of the Bank of Jamaica).

Under this two-tier system, foreign exchange for most goods is only available in the parallel markets. Foreign exchange for all imports is allocated on a quota system with priority given to the imports of materials for export producing industries. Export producing entities are not constrained by quota limitation where they secure a quota exemption certificate from the Bank of Jamaica after proving export capabilities.

Financing through the official exchange market is available for the importation of essential imports, including basic foodstuffs and medicines. Quotas are granted on a yearly basis, on account of the nature of the goods and the importer's programme for the year as well as taking into account past levels of importation from the same enterprise. Quotas must be applied for on a prescribed form.

In the case where payment for imports has to be made with official exchange then such payments are subjected to prior registration with the Bank of Jamaica and also its special licensing requirements. This involves

a deposition of a copy of the settlement invoice or any other evidence of such purchase and value, together with documentary evidence that such import goods are being shipped or about to be shipped. Specific exchange control approval is required for advance payments.

Requests for foreign exchange must be accompanied by a deposit in Jamaican dollars equal to the value of the import. This deposit is held at an interest of 9 percent until foreign exchange is allocated.

Payment for invisibles also require prior approval of exchange control authorities.

#### 1.2.2. Import permit or Licence

Imports are classified in three lists: free entry, restricted goods and prohibited items. The criteria for restriction of certain goods refers to their being non-essential commodities, strong competition with locally produced goods and local substitution. Licences are not issued for items on the prohibited list. However in special cases where the local industries cannot supply the goods on the restricted list or an acceptable substitute, a permit would be issued. Most foods and drink products are on the prohibited list. Also on the list are most consumer goods, pharmaceuticals and capital goods.

The Trade Board Limited, instituted in the Ministry of Commerce, formerly known as the Trade Administration, grants permits for goods on the restricted list. To get a permit the importer must have been given a quota, an importer number (application for which is made on a prescribed form stating name, address of company, nature of activity, number of employees, National Insurance number, National Housing number, etc.), and a letter of commitment from a commercial bank.

Imports which do not require specific licensing are closely monitored. Public sector imports are being considered on the basis of merit, with given government priorities. It is important that exporters to Jamaica ensure that the importer in Jamaica has a valid import licence and that the quantity and value (cif) of goods to be shipped do not exceed the amount authorized by the licence.



CARICOM goods are now subjected to specific import licensing for monitoring, but are no longer subject to quota. Interim quotas for imports from other sources are issued every six months.

In order to protect the local garment industry a number of fabrics imports have been placed on the prohibited lists. This list includes calico, denims, drapery fabrics, gingham, and others, irrespective of quality or widths. However, licences are granted on a quota basis to import fabrics for trade purposes from CARICOM countries only.

The imports of fabrics for manufacturing purposes are permitted through licences granted on a non-quota basis for goods from any source other than South Africa.

Import permits are obtainable subject to recommendation from the Minister of Health or the Drug and Poisons Control Board for the importation of pharmaceuticals, drugs and poisons.

The importation of agricultural products and animals requires certification from the Minister of Agriculture and Lands.

Certain types of firearms and ammunition are subject to recommendation from the Ministry of National Security, whilst the Director of Medical Services controls the importation of yellow fever vaccine.

Special regulations apply to cotton lint and lintors and similar products.

The import, manufacture, sale and use of pesticides is registered by Act. No.6 of 18 March 1975.

### 1.2.3. Invoices

#### (i) Commercial invoice:

The commercial invoice required for goods imported into Jamaica is the same as that required for goods imported into other CARICOM member states. That invoice is required to provide an agreed body of information and traders have been urged to use the layout key adopted by the United Nations Economic Commission for Europe (ECE). It is to be noted that the information required on commercial invoices is that shown in the ECE layout key with additionally, presenting bank, net weight, port of loading, country of final destination, ship/air/etc.

All imports under general import licences must contain a declaration of origin on the commercial invoice.

The invoice must contain a very careful description of goods and all details necessary to arrive at the cif value. When a cif quotation is not made, then it becomes necessary that the invoice should contain such particulars as will indicate clearly that all charges are included in the value for the duty. All discounts must be listed and explained on the invoice. The invoice should be made available in at least five copies. However, an additional copy may be required for certain goods for licensing or exchange control purposes.

(ii) Consular Invoice

Not required.

(iii) Pro forma Invoice

It is not a legal requirement, but the commercial banks may request from the importer to substantiate licence application or as the first step in negotiating an import contract.

(iv) Invoice of goods shipped (or packing list)

Not a mandatory document, however, use of this list will greatly facilitate the clearance of goods.

1.2.4. Bill of Lading (or Air Waybill)

There are no special regulations specifying the form or number of bills of lading required for any particular shipment. "To order" bills are permitted. All information given in the bill of lading (or Air waybill) should correspond with that shown on invoices and packages. When consolidated bills of lading covering items are sent for collection, the collecting bank should be authorized to release such bills of lading to the exporter's agent or representative without responsibility.

All customs entries and shipping bills must show quantities in the metric system.

All air shipments require Air waybills (in lieu) of bills of lading with the number of copies issued based on requirements of the importer and of the airline used. IATA or ICAO rules may also require documents covering shipments of dangerous and restricted goods.

Many types of merchandise require authorization to import which the addressee must obtain from the Trade Board Ltd. Mailers should assure themselves that the addressee has such a permit or can obtain one if needed.

Articles prohibited or restricted as parcel post are prohibited or restricted in the postal invoice mail. Lighters containing butane gas are prohibited in Jamaica.

Mail and parcel post shipments require postal documentation (Customs Declarations Form 2966-A) inside the package or Air Waybill for shipments exceeding US\$120.00. In other cases a green customs label C1, Form 2976, "Authority for Customs to open International Mail" must be completed and placed by the sender on the address side of each letter or package containing dutiable merchandise, each package of dutiable prints, and each small package. Dutiable merchandise is permitted in the letterpost mails of Jamaica subject to the maximum weight and size permitted. It is optional to seal packages.

#### 1.2.5. Certificates

##### Certificates of Origin

Shipments of CARICOM origin should be covered by a certificate of origin to be given special common market treatment.

No certificate of origin is required for shipments from the U.S.A. However, from time to time a certificate of origin may be requested in connection with documentary credit; in which case, the general forms should be used with the data provided corresponding to information given in other documents. It should be signed by a responsible member of the expatriate firm and certified by a Chamber of Commerce. The number of copies to be issued should be based on the requirements of the Government or Private Agencies.

##### Certificates of Insurance

Normal commercial practice prevail. Importer's and/or insurance company's instructions should be followed.

##### Special Certificates

Special certificates may be requested by customs and/or importer dependent on the nature of the goods being shipped or due to a request by the importer/bank letter of credit clause (e.g. sanitary, veterinary, free of sale, etc.).

Sanitary certificates are required for all fruits and vegetables except dried fruits and vegetables, grains and seeds. This certificate must state that the produce is home-grown, fresh, clean and free from disease and pests. In the case of Irish potatoes, the certificate must state specifically that the potatoes are not affected by wart disease (Synchylium endobioticum) or ring rot (Corynebacterium Sependonicum).

The importation of flour require a flour mill certificate, stating that the flour has been enriched with the minimum of the following in milligrams per pound: thiamine - 2.0; riboflavin - 1.2; niacin - 1.6; and iron - 13.

A certificate of disinfection must accompany shipments of second-hand clothing and footwear.

#### 1.2.6. Technical Specifications

For most industries, compliance with the U.S. or British technical standards are acceptable. Local standards are being developed.

Electric current is AC 50 cycles 110.220 volts 1,3 phases, 2,3,4 wires.

There is in effect an Act of Parliament which makes both the imperial and metric units of measure legal in Jamaica. The Bill provides for enforcement by the Jamaica Bureau of Standards.

As of 1 January 1977, the Statistical Unit for classification of the Jamaican Customs Tariff was metricated. Now, all customs entries and shipping bills must show quantities according to the metric system.

Specifications have been published by the Bureau of Standards for labelling thread and panty hose.

#### 1.2.7. Advertising Material

Printed advertising matter is admitted free of customs duty. Jamaica is a signatory to the International Convention to facilitate the importation of commercial samples and advertising matter.

#### 1.2.8. Labelling

Most imports into Jamaica are not subjected to special labelling regulations. Drugs of any kind are prohibited unless the formula or composition is plainly written on the container.

An indication of ingredients and quantity of each ingredient contained in the preparation is required.

Most garments require labelling in conformity with specifications and standards set out by the Jamaica Bureau of Standards (with the BJS mark). Thread labels are now required to show name of manufacture or registered trademark which identifies the manufacturer; name of country of manufacturer; type; ply and size. Sizes must be marked on panty hose packages.

Special regulations govern the labelling of processed foods. Information should not be misleading or deceptive and should be in English. Labelling, on the main display panel, should show the name of the food, brand name, registered trademark, country of origin, name and business address of the processor, manufacturer, packing importer or distributor.

The Process Food Law, 1955 require grades for certain processed foods, as well as, instructions for the storage, handling, or preparation of such foods.

The label must also show net contents where applicable in easily legible, bold face and separate form. The net contents of liquids must be indicated by volume; solids by weight or number.

Exporters to Jamaica should ascertain whether or not Jamaica is currently adhering to the United Nations recommendation for the labelling and packaging of hazardous and/or restricted material in a standardized manner and style.<sup>1/</sup>

#### 1.2.9. Brands or Trade marks

They must register with the Jamaica Bureau of Standards, in order to be legally recognized in the country either for quality property or copy-rights purposes.

---

<sup>1/</sup> In 1965 the Intergovernmental Maritime Consultant Organization (IMCO now IMO) adopted the International Dangerous Goods Code, which includes the UN labelling system. It is now adhered to, partially or totally, by more than 30 countries. If goods are going by air, IATA and/or ICAO regulations regarding packing, labelling and documentation must be met. For goods going by boat, the latest IMO requirement are usually met by the Shipper.

#### 1.2.10 Packing and Marking

Packages should be tightly secured and waterproofed. When goods are dutiable by weight, the duty is usually levied on the net weight so that the method of packing is not a factor when payment of duty is necessary.

In the case of hazardous and/or restricted materials, it should be ascertained whether Jamaica is currently adhering to the UN recommendations on marking and packing (see footnote 1).

There are no stipulations regarding the marking of packages, except for processed foods. Common shipping practices may be followed. All labelling requirements for processed foods must be shown on the package or on one panel of any package in which containers of processed foods are shipped. The package must also bear a declaration stating how many such containers it contains and the net contents of each.

#### 1.3 Fines and Penalties - Port and Warehousing Procedures

Regulations require goods for consumption to be cleared through customs within 14 days after the arrival of the vessel. Failure to comply with such requirements will result in the goods being stored in a warehouse, subject to storage and other charges. After a period of three months, such goods may be sold at a public auction. Parcel post goods would be returned to the sender if not claimed within one month.

Fines and penalties are assessed for violations of custom laws and regulations. In addition Law 1 of 1959 provides for the imposition of additional or countervailing duties when goods have been dumped or subsidized.

Severe fines/penalties are imposed to travellers for the non-declaration of arms and ammunition, under the firearms Act of 1967, penalties may be imposed if goods, subject to licensing are imported without the importer first obtaining the covering licence.

#### 1.4 Specimens, Samples

Jamaica is a signatory to the International Convention to facilitate the importation of commercial samples and advertising material.

Patterns and samples of no commercial value imported for trade purposes and not for general distribution are duty free. Samples of commercial value may be entered upon deposit of the duty or a bond. However, this is refunded or cancelled upon re-exportation, within six (6) months.

1.5 Shipping Restrictions

Trade with South Africa is prohibited.

1.6 Distribution Channels

Other than the case of government procurement, when the purchasing is done directly by a ministry or government agency, distribution of imported goods are done by traders who generally have their own distribution channels.

In 1977 the Jamaica State Trading Corporation was set up to control the importing of all goods into Jamaica. A number of operating subsidiaries were set up to monitor specific commodities. The subsidiaries were later replaced by the Jamaica Commodity Trading Company (JCTC) in 1981. The JCTC imports: bulk items (wheat, corn, soya beans, soya oil, skimmed milk powder, butter milk powder and butter oil); grocery items (rice, counter flour, baking flour, biscuit flour, canned fish and meat, chicken necks and backs and/or salted fish); drugs and medical equipment (ethical pharmaceutical for the private and public sectors); and lumber (pitch pine, southern yellow pine, mahogany and plywood).

1.6.1. Agents or Representatives

All commercial travellers need visas and a valid passport. Applications for business trips must be sent for approval at least 14 days prior to visit. The Aliens General (Amendments) Directions Law of 1963 debars foreigners from operating without work permits. However, commercial travellers may operate through a local agency, which must be licensed as a Commission Agent.

2. EXPORT REGIME

2.1. Export Procedures

Any company or legal person in the country which makes export sales payable in foreign currency, is subjected to the currency exchange controls

which require the compulsory surrender of foreign currency to the Central Bank.

For exports to members of the CARICOM member countries, see Part I, section 2. For exports to the EEC, subject to the second Lomé Convention, see Part II, section 3.

All export documents must have a reference number on the certificate of origin, on presentation to the Jamaica National Export Corporation in order to identify each shipment and must also be quoted on the invoice.

All CARICOM Invoices must be numbered, and also quoted on the certificate of origin under the section number and date of invoice.

There are a number of points which must be strictly adhered to when completing the CARICOM Certificate of Origin:

- (i) When completing the section "Origin Criterion" only the first four digits of the tariff number should be used e.g. "X" 62.02 not 62.02.91;
- (ii) For each item entered under the column for description of goods, there should be numeration made under the first column "Item Number", not the BTN (CCCN) nor the SITC number;
- (iii) Correction fluid (liquid paper) should not be used on the document. Errors should be crossed out and initialled or the document typed over;
- (iv) Documentation must be presented for certification at least 24 hours prior to shipment;
- (v) All unused space on the Invoice and the certificate of origin should be cancelled, by drawing a line after the last entry on the form;
- (vi) A breakdown of charges (indicating fob) must be shown, where exports quote cif prices, on the invoice to be refunded by JNEC;
- (vii) The name and status of the person authorized to sign the CARICOM Invoice and Certificate of Origin must be typed in the appropriate section of both documents. The Jamaica Export Monitoring System (JEMS) is designed to simplify the documentation procedures for exporters.

## 2.2. Exports subject to special requirements

For exports of selected agricultural commodities, oils and fats,



and cane sugar, to other members of CARICOM. See also restrictions under the Second Lomé Convention (Part II, Section 4) for trade with the EEC.

Exports of hazardous, dangerous or restricted goods may be subjected to the International Dangerous Goods Code.

### 2.3. Export Incentives

As a member of the CARICOM and ACP countries, incentives provided under these agreements are applicable in this country under the industrial and investment promotion scheme. As part of the harmonization of the Caribbean Common Market, the main benefits which can be given to an exporter are exemption from income tax and relief from custom duties, over a stated number of years. The Common Market agreement sets out the maximum benefits which can be given under the scheme by any signatory government in respect of an approved product. Incentives are provided where a significant contribution can be made to output, exports and employments.

Significant areas are in Manufacturing, Agriculture and Tourism.

#### 2.3.1. Direct Incentives

A wide range of industrial and non-industrial incentives are available. Ranging from tax holidays, income tax relief on farm income to special rental or arrangements on factory space.

In general, the maximum number of years for which benefits may be granted varies with the percentage of local value added (section 2(f) of Part I shows the method for measuring local value added contribution). For the award of benefits, enterprises are classified into three groups:

Group I. Enterprises whose local value added in respect of the approved products amounts to 50 percent or more of the value of the sales, ex-factory, of the product;

Group II. Enterprises whose local value added in respect of the approved products amounts to 25 percent or more but less than 50 percent of the receipts from sales ex-factory; and

Group III. Enterprises whose local value added in respect of the approved product amounts to at least 10 percent or more but less than 25 percent of the receipts from sales ex-factory.

The following table shows the maximum number of years for which Jamaica may grant relief from income tax and customs duties.

Table 1

<u>Maximum Period of Tax Concession Eligibility</u>	
<u>Enterprise Group</u>	<u>Maximum Number of Years</u>
I	9
II	7
III	5

The scheme permits highly capital intensive projects irrespective of their local value added to be granted tax holidays and customs relief up to the maximum permissible. The qualifications for such treatment are that the project must involve a capital investment of no less than EC\$25 million.

Enterprises whose entire production of the approved product is sold to countries outside the CARICOM, referred to as enclave industries, have been made eligible for tax holidays and customs relief, without a reference to the quantity of their local value added. This is due mainly to their estimated large employment contribution.

The Common Market Agreement does not prohibit the granting of duty-free treatment of imports of raw materials to enclave enterprises after their tax holiday period has expired. It has been the general policy of all member countries of CARICOM to allow such enterprises this concession without limitations.

Dividends tax exemption

Under the CARICOM Treaty approved enterprises are granted exemption from income tax on profits earned from the production of the approved products. There is also the provision that dividends paid to shareholders of such enterprises may also be exempted from tax as long as the shareholders are residents of a CARICOM country. A collective agreement exists between the MDC's and LDC's to allow dividends earned in one MDC to be transferred to an LDC exempt from taxation in the recipient's country of residence.

A collective agreement exists between the MDC's and the LDC's to allow dividends in one MDC country to be transferred to an LDC to be exempt from taxation in the recipient's country of residence. Where, however, the shareholder is not resident in a CARICOM country dividends will not be totally exempt from tax, but only from such tax in excess of what the recipient would normally pay in his country of residence.

Interest is not exempt from tax in the hands of the recipient.

Compensatory Taxes

(i) Carry forward of losses: If an approved enterprise makes a net loss on the production of the approved product, taking the total holiday period into account, the enterprise can carry forward such losses up to five years after the expiry of the tax holiday, setting them off against profits made later on the approved products.

(ii) Export Allowances: Partial relief is granted to enterprises from the income tax chargeable on the profits earned from exports. This provision becomes operative after an enterprise's tax holiday period has expired.

The greater the share of an enterprises' profit which is derived from exports outside the ECCM (except to Barbados) of the product for which export allowance is being sought, the greater the relief afforded.

The following table gives the extent of maximum relief in terms of credit on tax chargeable on the share of profits made from export sales outside the Common Market's area.

---

Maximum Export Allowances Granted

---

Share of profits from exports to third countries in total profits of approved product <sup>2/</sup>	Maximum income tax relief of tax chargeable on the approved product (%)
10 to less than 21 percent	25
21 to less than 41 percent	35
41 to less than 61 percent	45
61 percent or more	50

---

A country is not permitted to grant this relief to an enterprise in respect of a traditional export product of that country. This export allowance should normally be given only for products to be exported outside of the Common Market. This provision was designed to encourage enterprises to increase the share of exports sales in their total sales and is intended in particular to promote the export of manufactures.

The export allowance will be granted to authorized enterprises, provided that:

(i) The enterprise has been enjoying such benefits only for the first five years after the expiry of the tax holiday or customs rebate period;

(ii) The enterprise has not been granted any tax holiday or customs duty rebate only for the first five years of the life of the harmonization agreement (effective since 1 February 1974).

---

<sup>2/</sup> As a general rule, the share of exports on total sales is taken as the share of profits made.

### 2.3.1.1. Direct Tariff Incentives

More specifically, benefits available to investors include:

(i) Full exemption from: income tax liability, to pay customs and consumption duty on imported equipment and machinery, liability to pay customs duty on raw materials. These exemptions are available for varying periods depending on the level of the local value added.

(ii) Carry forward of losses incurred during the tax holiday for a period of six years after the expiry of the holiday.

(iii) Granting of partial relief from the income tax on profits related to export performances by industries not approved for benefits previously mentioned, or whose period of enjoyment of these benefits have expired.

There is also a special export incentive scheme for all companies under which profits derived from export outside of the Caribbean Common Market are eligible for perpetual income tax relief of levels ranging from 25 percent to 50 percent of chargeable tax, depending upon the ratio between profits derived from such exports and total profits.

Another important incentive relates to the availability of factory space. Under the factory building programme, factory space is made available at economic rates of rental. There are a number of factories immediately available for rental. Naturally, specialized units would have to be constructed.

In the non-industrial sectors, incentives are also offered including:

(i) Relief from income tax for a certain number of years from production date. In the hotel industry, the period is 15 years, while investors engaged in the growing of agricultural crops will be totally exempt from the payment of income tax. Enterprises engaged in other agricultural activities will also be eligible for income tax exemption for a limited period;

(ii) No tax depreciation to be deducted during the period of tax relief;

(iii) Duty-free importation into the island of material used for constructing and equipping the operation;

(iv) Reduced wharfage rates on non-traditional exports.

#### 2.3.1.2. Direct Credit Incentives

The Export Development Fund (Jamaica) Limited (EDF) is a revolving hard currency foreign exchange fund set up in 1979 to facilitate the importation of raw materials, parts and components by Jamaican firms for incorporation into export products. Also, for capital equipment for the expansion of the exporting industry.

The Jamaican Export Credit Insurance Corporation provides the following services; export credit financing; pre-shipment financing; Export Credit Insurance Banker's Export Guarantee; Export Development Fund and also lines of credit for importers involved in export development.

#### 2.3.1.3. Certificates

Customs tariff preferential treatment of exports to CARICOM members requires certification of origin (see Part I, section 1(a) where specimen is provided).

The Lomé Convention also requires certification of origin for exports from ACP states into the EEC (see Part II, section 5). Same is required by the United States under the Generalized System of Preferences (GSP).

No tax refund certificate or tax compensation certificates are given.

#### 2.3.2. Indirect Incentives

In addition to the depreciation allowance to which enterprises are normally entitled, there are other allowances given to approved enterprises on the expiry of the tax holiday.

##### Initial allowance

An initial allowance not exceeding 20 percent of any plant, equipment and machinery capital expenditures, incurred after the tax holiday can be extended by increasing the measure of value added through a weight or bonus that measures the use of local labour (see Part I, section 2(f) for measure of this bonus).

2.3.3. Free Zones

The Kingston Export Free Zone allows commercial and manufacturing activities to take place free of import licensing, customs duties, and quantitative restrictions. An investor in the free zone may operate a manufacturing plant, warehouse, assembly for packaging facility and re-distribution centre. Industrial concerns using the free trade zone complex, receives a host of incentives made available by the Government. For industrial activities a 100 percent tax holiday on profit for a 10-year period and qualify for 50 percent tax relief on profit thereafter. For commercial activities there is total exemption from income tax export sales.

Further these companies operating in the Free Zone area are not subject to the payment of import duty on raw materials, machinery and equipment. The importation of goods for use in the free zone area are not subject to import licensing or quantitative restrictions. Foreign-owned companies are exempt from exchange control and work permit fees for foreign personnel.

Another attractive incentive is that a cash subsidy of US\$10 per week is paid for any trainee employed in the garment industry for a six-month period.

3. Agreements and Integration Schemes

3.1. Bilateral

Externally, Jamaica also benefits from a number of bilateral trading agreements which guarantee Jamaican goods preferential access to the U.S.A., Canada and Japan. There is also legislation enacted by the U.S. Government which act as incentive for American business to have shore assembly operations.

In addition, the proposed Caribbean Basin Initiative would grant duty-free access to the United States of virtually all Jamaican-made products.

3.2. Multilateral

Jamaica has signed multilateral agreements with a number of economic groups. It is a signatory of the Second Lomé Convention and as a contracting party to the GATT, claims treatment in accordance with the Generalized System of Preferences (GSP). Jamaica is a member of the British Commonwealth of Nations.

3.3. Integration Schemes

Jamaica is a founding member of the CARICOM and has joined the Latin American Economic System (SELA).<sup>2/</sup>

4. Agencies and Institutions involved in Foreign Trade

Jamaica Commodity Trading Company Ltd.  
Hotel Inter-Continental  
King Street  
P.O. Box 47  
Kingston

Jamaica National Export Corporation  
8 Waterloo Road  
Kingston-10

Jamaica National Investment Promotion Ltd.  
15 Oxford Street  
Kingston-5

Jamaica Industrial Development Corporation  
4 Winchester Road  
Kingston-10

Ministry of Industry and Commerce  
4 Winchester Road  
Kingston-10

National Development Agency  
Barbados Avenue  
Kingston-10

Trade Board Ltd.,  
Ocean Boulevard  
Kingston Mall  
Kingston

Ministry of Foreign Affairs and Foreign Trade  
85 Knutsford Boulevard  
Kingston-5

---

<sup>2/</sup> The Latin American Economic System (SELA) was created in 1975 as an effort to form a common front for solving key economic trade and investment problems of Latin American member countries vis-à-vis other regions, blocks and integration systems.



Central Bank of Jamaica  
Kingston

Department of Customs and Excise  
Kingston

Jamaica Bureau of Standards  
c/o Ministry of Industry and Commerce  
Kingston

Jamaica Export Credit Insurance Corp.,  
Bank of Jamaica Building  
10th Floor  
Methersole Place  
P.O. Box 3  
Kingston

5. National and International Fairs

Jamaica participates in international trade fairs but does not have established national fairs.

6. Chambers and Associations of Commerce

The Jamaica Chamber of Commerce  
7 East Parade  
Kingston

Private Sector Organization of Jamaica  
14 Hope Road  
Kingston-10

Jamaica Manufacturers Association  
85A Duke Street  
Kingston

Small Business Association  
2 Trafalgar Road  
Kingston-10

